ACTIVITY REPORT 2009

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REFLECTING BACK
MOVING FORWARD

15th ANNIVERSARY
1994 - 2009

AEDA
ALBERTA ECONOMIC DEVELOPMENT AUTHORITY

VISION

A strong and influential voice, working in partnership with government, encouraging long-term prosperity for Alberta.

MISSION

To focus on strategy and policy advice to the Premier and Cabinet that works towards establishing Alberta as a global leader with a strong, sustainable, and diversified economy.

VALUES

- *Respect*
- *Integrity*
- *Accountability*
- *Excellence*

A UNIQUE PARTNERSHIP

Alberta Economic Development Authority (AEDA) is a unique partnership between the Alberta government and the province's private and public sectors, whereby government and industry work collaboratively to develop recommendations on key economic issues.

AEDA solicits the views of the province's business community, academia, regional stakeholders a individual Albertans concerning economic development policy and strategies.

The Authority's board, which consists of business, academic and municipal leaders, provides strat advice and recommendations to the Premier and Cabinet on key business matters.

AEDA board members—64 in number—are private sector volunteers from across Alberta. Each member of the board participates on one of AEDA's five standing committees, which identify the challenges facing Alberta and the range of potential responses that need to be addressed.

AEDA standing committees:

Envision Alberta

Sustainable and Regional Development

Energy and the Environment

Productivity and Competitiveness

Transportation

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15th ANNIVERSARY 1994 - 2009

REFLECTING BACK MOVING FORWARD

MESSAGE FROM THE PREMIER

Alberta Economic Development Authority (AEDA) has been our province's economic compass since its creation by an act of legislation in 1994.

Thanks to AEDA, we know where we're going and we know the best way to get there.

AEDA, led by its wise volunteer board of management drawn from a wide spectrum of industries, has always offered us valuable strategic, prescient advice by correctly anticipating trends and changes in the marketplace. For example, in 2004, it accurately anticipated the looming shortage of skilled labour in the province with its report "An Urgent Call to Action". By the time the full weight of the problem was upon us three years later, government ministers were well prepared and well briefed, with excellent suggestions at our fingertips.

Thanks to AEDA, we know where we're going and we know the best way to get there.

AEDA was also a key player in the ground-breaking Future Summit in 2002 which gave Albertans a voice in charting their province's course over the long term.

Over its decade and a half, it has also taken a hard look at many of Alberta's leading industries – forestry, oil and gas, and tourism, among others – to keep government abreast of trends likely to affect this province.

In keeping with its far-sighted vision, its most recent report examines the idea of how government can advance capturing carbon dioxide from industry to reduce greenhouse gas emissions, using it to improve oil recovery from wells once thought depleted. This is a win-win for our province if there ever was one.

AEDA also is a co-founder and major sponsor of the Global Business Forum, a gathering of some of the world's most influential and thoughtful minds, held every year at the Fairmont Banff Springs. I've been fortunate to have been invited to speak there the last three years and it's always a great pleasure to sit in the audience and hear the insights from internationally renowned leaders in their fields.

AEDA's first 15 years have been a big success for our province. And I have no doubt the next 15 years will be even more profound.

All the best,

Ed Stelmach

Ed Stelmach
Premier of Alberta

MESSAGE FROM THE CHAIR

REFLECTING BACK, MOVING FORWARD

Alberta was at a crossroads when the Alberta Economic Development Authority (AEDA) was formed fifteen years ago.

Taxes were high. The energy sector dominated the economy. And the province's debt was at its peak — $22.7 billion — working out to about $8,400 for every man, woman and child.

Ralph Klein, the former premier of Alberta, and Art Smith, a well-known Calgary businessman, spearheaded efforts to create the Authority. The idea was to establish a strong, unified and influential voice for Alberta business — a voice that would work in partnership with the provincial government to help generate wealth and employment for Albertans.

Over the past decade and a half, our volunteer Board members have provided forward-thinking advice to the Premier and Cabinet. Sometimes we have been a sounding board. Other times we have been a strategic advisor, identifying new directions and opportunities which we think are important for the province to pursue, or pointing out obstacles which stand in the path of our competitiveness.

Alberta, some say, is at another crossroads. The unprecedented, worldwide financial crisis that began in the fall of 2008 slammed full force into the province during 2009. The economic downturn illustrated the connectedness of the world's economy and financial systems. As such, Alberta must do everything it can to bolster the ability of the province's companies to compete and succeed on the international stage.

Ralph Klein, the former premier of Alberta, and Art Smith, a well-known Calgary businessman, spearheaded efforts to create the Authority.

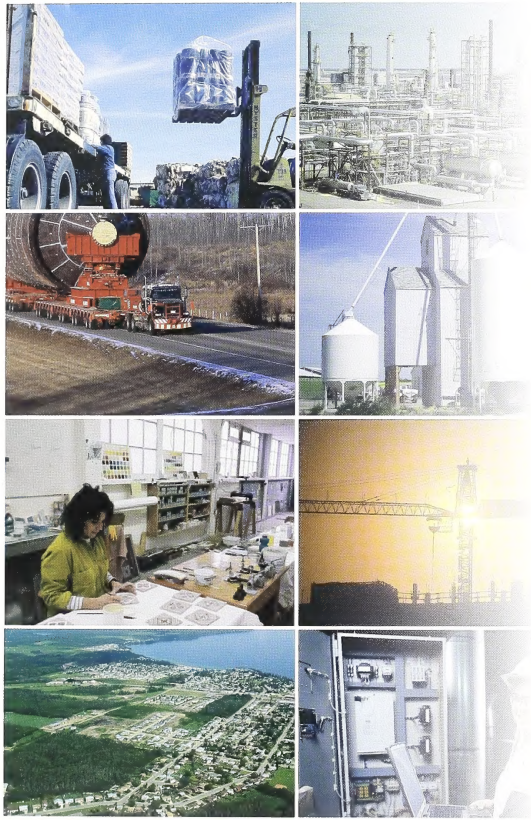
AEDA's new committee structure has been created to reflect the current economic realities and assist with Alberta's growth. One of these standing committees, Productivity and Competitiveness, focuses solely on developing strategies to boost the province's productivity and competitiveness in the global marketplace. As we move into 2010, AEDA will help to weave the threads of this strategy into every segment of Alberta's economic tapestry.

As Henry Ford once said: "Coming together is a beginning. Keeping together is progress. Working together is success."

The result of strengthening the relationship between government and business — putting them together at the same table to sort out ideas and opportunities — is a more nuanced understanding of economic issues.

Great work has been accomplished over the past 15 years, and insight attained, through AEDA's partnership with government. Our forward-looking vision will continue to provide a blueprint on how to build a sustainable and prosperous future for Alberta.

Robert G. Brawn
AEDA Chair



ALBERTA'S ECONOMY

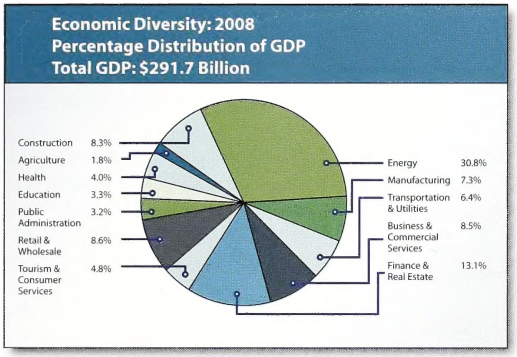
The global financial downturn that began in the fall of 2008 picked up steam in first half of 2009. In the 4th quarter of 2009, the Alberta economy started growing again signaling an end to the recession in Alberta.

The crisis significantly impacted economies all over the world, and, despite Alberta's abundance of human and natural resources, which have formed the foundation of a thriving economy, the province was not immune to the effect of the worldwide recession: tighter credit, higher unemployment, declining exports and rising deficits.

Alberta's economy contracted 2.5% in 2009, due to significantly weaker housing starts and consumer spending in the first six months of the year. Housing starts have rebounded strongly since then. Alberta's 2009 decline was also driven by a sharp decline for oil and gas investment and investment in general.

Highlights of the province's economic performance (latest available figures):

- gross domestic product (GDP) of $291.3 billion in 2008;
- total exports of goods and services were valued at $69.1 billion in 2009, with crude petroleum, gas and gas liquids comprising $44.9 billion of the total; and,
- total investment reached $66.5 billion in 2009, down from $89.7 billion the prior year.



ECONOMIC DIVERSITY

Alberta's economy continues to diversify. Energy's contribution to the GDP in 2008 (latest available figure) stood at 30.8%, compared to 36.1% in 1985.

The three non-energy sectors with the next highest contributions to the GDP in 2008 were: finance and real estate (13.1%), retail and wholesale (8.6%), and business and commercial services (8.5%). The combined contribution of these three sectors expanded to 30.2% in 2008 from 24.6% in 1985.

ENERGY SECTOR

The global financial crisis wreaked havoc on Alberta's energy sector in 2009.

Producers cut capital budgets, reduced drilling and slashed jobs. The financial woes trickled down the food chain, with companies that provide services and supplies to oil and gas producers also experiencing economic distress.

The worldwide recession led to tighter credit conditions for producers, with oilsands operators particularly hard hit as many extraction and upgrading projects were cancelled or put on hold.

Companies weighted to natural gas were also hard hit by the downturn. Slumping demand for natural gas caused prices to plummet. Increased volumes of shale gas from U.S. plays kept prices depressed.

INVESTMENT

Strong investment is a hallmark of the Alberta economy, enabling the province to lead the nation in per capita investment. In 2009, per capita investment in Alberta was $18,024, almost twice the national average of $9,174.

Investment was sharply lower in 2009, mostly as a result of a large decline in oil and gas investment because of weak commodity prices and tighter credit conditions.

Total investment reached $66.5 billion in 2009, down from $89.7 billion the prior year, with energy investment slipping to $24.5 billion in 2009 from $42.7 billion the previous year.

STANDING COMMITTEES UPDATE

As part of AEDA's Strategic Plan for 2009, the Authority revamped its standing committees to align with priority areas for the province. AEDA now has five standing committees that focus on the primary economic challenges facing Alberta.

ENVISION ALBERTA

Mandate:

Address barriers to economic growth and diversification, and identify opportunities for Alberta that will enhance development of a globally strong knowledge-based economy.

Chair: *Bruce Alton*
Vice Chair: *Bill Robinson*

Key Highlights of 2009 Committee Activity:

The committee prepared recommendations to enhance Alberta's financial industry, which are expected to be presented in a 2010 report. It also participated in the Minister of Finance and Enterprise's roundtable on the financial services sector.

SUSTAINABLE AND REGIONAL DEVELOPMENT

Mandate:

Focus on the impediments and growth opportunities that exist for Alberta's rural regions, including issues aroun the management of land and water.

Chair: *Fred Estlin*
Vice Chair: *Bill Cade*

Key Highlights of 2009 Committee Activity:

The committee undertook a review on how to accelera broadband enablement in rural Alberta. The committee als completed follow-up work on its report, *Sustainable Water Management and Economic Development in Alberta*, as well identified committee priorities.

SUMMARY OF TIMELINE & HIGHLIGHTS

Since its creation in 1994, AEDA has brought together leaders and innovators from all walks of life to study issues, consult with experts, debate ideas and make recommendations to the provincial government on key economic concerns, such as taxation, labour market development, infrastructure and access to capital. Highlighted on this timeline are a list of achievements, published studies and responses to issues raised by AEDA's Board of Management.

ENERGY AND THE ENVIRONMENT

Mandate:

Ensure Alberta's energy resources are managed in an environmentally and economically sustainable way to allow future growth and maximum value for Alberta.

Chair: *Irene Lewis*
Vice Chair: *Val Mirosh*

Key Highlights of 2009 Committee Activity:

Members completed follow-up work on the report, *Enhanced Oil Recovery (EOR) through Carbon Capture and Storage (CCS) – An Opportunity for Alberta.* The committee also laid the framework for a project that will be completed in 2010 that examines strategies for government and industry to work together to counter misinformation about Alberta's environmental stewardship.

PRODUCTIVITY AND COMPETITIVENESS

Mandate:

Focus on strategies to enable Alberta's industries to increase productivity and remain globally competitive.

Chair: *Les LaRocque*
Vice Chair: *Don McFarlane*

Key Highlights of 2009 Committee Activity:

The committee identified issues around productivity and competitiveness to develop a workplan for 2010. The committee also provided feedback on the rollout of productivity-enhancing initiatives through Productivity Alberta.

TRANSPORTATION

Mandate:

Ensure Alberta's access to domestic and global markets through efficient and effective transportation and distribution.

Chair: *Dennis Apedaile*
Vice Chair: *Scott Clements*

Key Highlights of 2009 Committee Activity:

A small group of committee members visited Fort McMurray to learn more about the hurdles facing businesses, and later reported to government on ways to increase the availability of industrial/commercial land in the region to improve transportation logistics. Work also began on a project that accelerates planning for multi-use transportation corridors in the province.

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AEDA 15TH YEAR

In 2009, AEDA remains committed to the inital vision of the founders of the organization. The board members, with their diverse experience and knowledge, continue to contribute to be the voice of business into government and AEDA's renewed vision is to be the strong and influential voice encouraging long-term prosperity for Alberta.

'09

ALBERTA'S COMPETITIVE POSITION IN THE GLOBAL ECONOMY

Competitiveness is a key indicator of Alberta's economic health. This report was developed in response to government's request for AEDA to undertake a comprehensive review of Alberta's competitive postion. Benchmarking analysis and issues were identified that were determined to have an impact of competitiveness in Alberta. A series of recommendations for the various issues were also provided to government.

KEY ACTIVITIES IN 2009

AEDA's STRATEGIC PLAN

In response to new global economic conditions that have impacted the outlook for Alberta's future, AEDA completed the development of a new three-year strategic plan in 2009.

The plan builds on past work and sets out a renewed vision that will allow AEDA to continue to be a strong strategic advisory board to the Premier and Cabinet, as Alberta prepares to emerge even stronger from the economic downturn.

The plan re-established the Authority's vision and values, and set out AEDA's strategic objectives. It differed from past plans by establishing strategic focus areas and aligning the Authority's committee structure with this renewed focus.

The five new standing committees are based on areas of the economy that AEDA considers most relevant in light of current economic conditions, as well as the province's future opportunities:

- economic diversification through building knowledge-based industries;
- global leadership through environmentally responsible energy production;
- productivity gains to increase Alberta's global competitiveness;
- vibrant and growing rural communities, responsibly managing the land and water; and,
- a modern and efficient transportation system.

'09

ENHANCED OIL RECOVERY THROUGH CARBON CAPTURE AND STORAGE – AN OPPORTUNITY FOR ALBERTA

This report explores the opportunity for Alberta to capitalize in an emerging area as well as meeting the goal of reducing greenhouse gas emissions. The benefits of utilizing EOR are identified in this report.

'09

SUSTAINABLE WATER MANAGEMENT ECONOMIC DEVELOPMENT IN ALBER

This study provides a scoping document the water industry in Alberta that identif examines and compares the current stat of water characteristics, markets and issu facing Alberta across each of its major w basins and how these are affecting susta economic development.

Premier Stelmach, Honourable Iris Evans and AEDA board members meet to discuss Alberta's budget.

BUDGET INPUT 2009

On February 24, 2009, Premier Stelmach, along with the Honourable Iris Evans, Minister of Finance and Enterprise, convened a special meeting of AEDA to discuss the global financial crisis and the impact on Alberta's Budget 2009.

The meeting provided an opportunity to share ideas and submit recommendations to the Premier and Minister.

BUDGET INPUT 2010

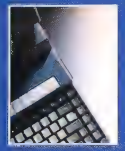
In August 2009, at the request of the Minister of the Treasury Board and the Minister of Finance and Enterprise, AEDA submitted recommendations for consideration in the development of Budget 2010.

Restoring Fiscal Balance: Input for Budget 2010, the document provided input on priority spending areas, and suggested alternative models to regenerate revenue. It also provided longer-term suggestions for future budgets, including boosting productivity and competitiveness.

An ad-hoc committee of AEDA board members produced a document based on input from the entire AEDA board. The board members provided their ideas on economic matters such as tax levels, re-instituting Alberta Savings Bonds and what the government should do to reduce deficit.

A MORE PRODUCTIVE ALBERTA – OUR KEY TO FUTURE ECONOMIC GROWTH

Productivity growth is a key indicator of the health of the economy and is directly related to quality of life. This report examines the key productivity drivers and what Alberta needs to create "a culture of innovation and productivity" within the province.



RURAL CONNECTIVITY IN ALBERTA

This report focuses on improving connectivity in rural and remote Alberta. It provides recommendations on improving the process that could bring connectivity to unserved parts of Alberta.

BROADBAND REPORT

Broadband enablement has become a high priority in forward-thinking communities and nations around the world, and many have embraced broadband — a group of evolving technologies that are rapidly expanding the capabilities and utility of electronic telecommunication — as an essential service.

The province invested $500 million in 2000 to build the Alberta SuperNet, a high-speed, high-capacity broadband network. The Alberta SuperNet was developed to connect public institutions across the province — schools, hospitals, colleges, universities, libraries and municipal offices — to a broadband network for high-speed Internet access, video conferencing and other services. The network of fibre cables and towers currently reaches close to 430 communities across Alberta.

A goal of the SuperNet is to connect the province's urban and rural communities, to bridge the traditional "digital divide" for the purpose of promoting competitiveness and rural economic development.

The SuperNet has improved penetration of broadband networks into rural Alberta, but for the most part, remains under-utilized. The Sustainable and Regional Development Committee undertook to review this issue and will deliver a report in early 2010.

FOLLOW-UP TO WATER REPORT

In December 2008, AEDA's Sustainable Development Committee released *Sustainable Water Management and Economic Development in Alberta*. The study identified, examined and compared the status of water characteristics, markets and issues facing each of Alberta's major water basins, and how these are affecting sustainable economic development.

Specifically, the study:

- reviewed the province's water regulatory framework, including Alberta's system of water allocation and management, permits, licensing, market mechanisms, water governance and building codes;
- examined Alberta's water regulatory framework in the context of industrial operations and irrigation districts, as well as residential and commercial applications;
- provided a comparative analysis of Alberta's major river basins;
- identified issues, attitudes, concerns, technologies, opportunities, rules and barriers to change;

THE ALBERTA CORRIDOR: DRIVER OF ECONOMIC DEVELOPMENT

A scoping report to determine if there is merit in an Alberta corridor was developed in 2007. The report provides a look at the benefits and advantages for Alberta in moving forward with a corridor from the oilsands south to the Montana border.

BUILDING A GREAT FUTURE FOR ALBERTA

In 2006, members of AEDA undertook a visioning initiative to develop a clear description of a desirable economic future for Alberta. It built a shared understanding of the challenges and risks involved in achieving this future vision and initiated dialogue on the critical developments needed to move ahead. The initiative resulted in the document, Building a Great Future for Alberta, which was released to government.

- developed recommendations for change; and,
- proposed a plan of action, by region and sector, that provided a roadmap for implementation.

The report was submitted to the Premier and Cabinet in January 2009. AEDA's Sustainable and Regional Development Committee completed follow-up work later in 2009 to further examine water issues in the province. In June, the committee met with the Honourable Rob Renner, Minister of Environment, to discuss the report and recommendations.

FOLLOW-UP TO EOR-CCS REPORT

In 2008, the Alberta government announced $2 billion in funding to support the development of carbon capture and storage (CCS) in the province. CCS is a process by which carbon dioxide (CO_2), a greenhouse gas, is collected and then injected deep underground instead of being released into the atmosphere.

Partially depleted oil and gas reservoirs are currently the most practical place to store large volumes of carbon. The process of pumping carbon dioxide into a mature reservoir to help push some of the oil that is left behind towards producing wells is known as enhanced oil recovery (EOR). Oil recovery rates increase while carbon dioxide is sequestered.

AEDA submitted to government in 2009 the report *Enhanced Oil Recovery Through Carbon Capture and Storage: An Opportunity for Alberta*. The document says using CO_2 for EOR is the only method of CCS that will produce an economic return to offset a portion of the cost to capture the CO_2. This application should be used as a building block to develop the province's expertise in CCS.

It is estimated that pairing CCS with EOR could store 20 to 30 million tonnes per year of CO_2, which is the equivalent of removing 5 to 7.5 million cars from the road in every year of peak operation. At the same time, CO_2-EOR could produce an additional 1.5 to 2.5 billion barrels of oil, a 2- to 2.5-fold increase in Alberta's conventional oil reserves. Royalties will be paid to the government on these extra barrels.

The Authority also provided the report to the Carbon Capture and Storage Development Council, chaired by Mr. Jim Carter, which in March 2009 released *Accelerating Carbon Capture and Storage Implementation in Alberta*, a blueprint to achieving swift, safe and widespread adoption of CCS in the province.

TAX REVIEW

Advice was provided by AEDA to the Minister of Finance in ensuring Alberta's tax regime was competitive. Recommendations for reduction of corporate tax rates, increasing personal income tax exemptions as well as introducing a provincial innovation tax credit for business research and development were submitted. Many of these recommendations were echoed by the Value-Added Technology and Commercialization (VATC) Task Force report and were implemented by the province in 2009.

MEGA PROJECT EXCELLENCE: PREPARING FOR ALBERTA'S LEGACY – AN ACTION PLAN

AEDA initiated a study to develop strategies to promote mega project excellence in Alberta. The study resulted from concerns about a series of cost overruns associated with the construction of recent mega projects.

ALBERTA'S COMPETITIVE POSITION IN THE GLOBAL ECONOMY

In 2008, representatives from the Ministry of Sustainable Resource Development (SRD) met with AEDA to review the immediate-term recommendations of the Forest Industry Sustainability Committee (FISC).

The FISC was initiated in 2007 to find viable, long-term solutions to the economic hardships facing the forest sector, forestry-dependent communities and people who work in the industry.

As many of the proposed recommendations in the FISC report affected multiple industries and were beyond the purview of the SRD, the Honourable Ted Morton, Minister of SRD, requested assistance from AEDA in dealing with the report's first recommendation — that the Alberta government undertake an immediate comprehensive review of the province's competitiveness and take appropriate actions to ensure equitable tax treatment, a competitive business climate and elimination of disincentives to investing new capital. The FISC suggested this review should embrace all industries and be led by AEDA.

In response, an ad-hoc committee of cross-industry AEDA board members was formed. The ministries of Finance and Enterprise, Sustainable Resource Development, Agriculture and Rural Development, and with information from Municipal Affairs and Energy, thus established a cross-ministry team to deal with the competitive issues facing the province.

The process involved AEDA Board members identifying the issues and factors that affect Alberta's competitiveness. Municipal tax issues, workforce development, transportation and electricity were identified as the top four factors.

The ad hoc committee formed sub-committees to tackle each of the factors. Research involved interviewing key experts in each of the areas, discussing with industry executives and examining secondary research sources.

The final report, entitled *Alberta's Competitive Position in the Global Economy*, was submitted to government in March 2009. It found Alberta's relative competitive strength has diminished in recent years.

AEDA's recommendations have been useful in discussions the Alberta government continues to have, related to competitiveness.

THE TRANSPORTATION SECTOR IN ALBERTA: PRESENT POSITION AND FUTURE OUTLOOK

This study demonstrated the importance of the transportation and logistics sector to the Alberta economy, and provided a clear understanding of what is needed to meet the demands of a growing value-added economy over the next decade. The study was also updated in 2005.

AN URGENT CALL TO ACTION

This report identified the serious problem Alberta was facing with the growing skilled-labour shortages, and that shortages will become even more acute in the future.

NATURAL GAS SYMPOSIUM

The Premier hosted a natural gas symposium in Calgary on December 9, 2009, which was attended by more than 60 industry CEOs and senior executives. AEDA's chair, Mr. Bob Brawn, chaired the symposium, at the Premier's request.

The province's natural gas industry — long the backbone of Alberta's economy and source of the majority of resource revenues — faces increased competitive pressure from the United States and other Canadian provinces.

In the United States, new technologies to extract gas from shale have released a flood of new supply onto the market. Competition has also come from B.C., where that province's massive Horn River and Montney unconventional gas plays have siphoned capital spending once directed towards Alberta.

The unfolding shale gas picture in the United States does not bode well for Canadian gas exports, as several emerging shale gas plays are in close proximity to major American markets. And the increase in shale gas supplies south of the border and in B.C. has huge implications for Alberta's economic outlook.

The government gathered information at the symposium and listened to participants' ideas and concerns. This input will be considered when Alberta repositions its natural gas royalty and investment framework as part of the upcoming Competitiveness Review.

The province expects to announce the results of this review — which is comparing the competitiveness of Alberta's conventional oil and gas sector with competing jurisdictions in Canada, the United States and around the world — in the first quarter of 2010.

FINANCIAL SERVICES ROUNDTABLE PARTICIPATION

The Honourable Iris Evans, Minister of Alberta Finance and Enterprise, hosted a second financial services industry roundtable on November 26, 2009, with participation of 42 senior executives from banking, insurance, investment companies, government, economic development agencies and academia.

Roundtable participants explored the competitive environment, as well as prospects and challenges for growth of an Alberta-based financial services cluster, which already has a strong foundation in the province. Alberta will have an enormous need for capital in the coming years to fully develop the oilsands and other resources, add value to the province's natural resources, and commercialize the results of extensive investments in R&D.

ACCESS TO CAPITAL

AEDA and Alberta Science and Research Authority (ASRA) joint Access to Capital Task Force developed recommendations to improve the availability of equity capital in Alberta.

REGIONAL ECONOMIC DEVELOPMENT ALLIANCES

AEDA, along with Alberta Economic Development (AED), co-hosted the conference "Building Economic Prosperity Through Alliances" in October 2002. AEDA also co-hosted the National Symposium on Regional Economic Development Best Practices in 2003. Subsequently, AEDA contributed to the formation of Alberta's Regional Economic Development Alliances (REDAs).

AEDA presented an overview of an ongoing initiative by the Envision Alberta Committee to identify strategic opportunities and barriers to future expansion of the sector in Alberta. *Work and feedback to date has led to the proposal of five general goals:*

- prioritize international investment attraction in Alberta;
- build investment capacity through the post-secondary educational system;
- maintain and enhance the Alberta government's fiscal and taxation policies;
- enhance the strategic use of Crown corporations and Alberta-managed financial assets; and,
- promote financial literacy in the province.

A series of policy options and recommendations for the development of the financial services sector will be submitted to the Premier and Cabinet in 2010 by AEDA's Envision Alberta Committee.

FORT MCMURRAY LAND ISSUE

As the hub of Alberta's burgeoning oilsands industry, the city of Fort McMurray and the Regional Municipality of Wood Buffalo (RMWB) have faced enormous development pressure. The region's rapid growth, driven by the energy sector and the demand for workers, has created extreme strains on municipal infrastructure and demand for services in the area.

The region's nine per cent annual growth increase over the past several years is the fastest growth rate in the country. By way of comparison, Calgary grew by 2.1% from 2008 to 2009, and three per cent growth is defined as very rapid.

ALBERTA INTERNATIONAL MARKETING STRATEGY (AIMS)

AEDA's International Business Committee provided valuable private sector input into the development of AIMS and its refinement in 2002-03, urging the Government of Alberta to expand its international presence. AEDA input helped identify provincial priorities for the Doha Round of World Trade Organization negotiations, initiated in 2002, and for travel by the Premier, ministers and other elected officials.

In 2006, a report titled *Investing In Our Future: Responding to the Rapid Growth of Oil Sands Development*, also known as the *Radke Report*, recommended establishing an Oil Sands Secretariat (OSS) to address the social, environmental and economic needs of the community.

The Secretariat was formed in 2007. It has made some great strides in defining the challenges; however, many areas still need to be addressed.

Working with the OSS, five members of AEDA's Transportation committee visited Fort McMurray on August 26, 2009, to get a first-hand look at land issues in the RMWB.

One of the key issues the committee identified was the shortage of available and affordable industrial/commercial land in Fort McMurray, which has caused logistical difficulties — and higher costs — to businesses that provide services in the area.

Meetings took place with several stakeholders, including members of the OSS, the Northern Alberta Development Council, the Oil Sands Developer Group, and the RMWB.

Following the visit to Fort McMurray, Bob Brawn, AEDA chair, Scott Clements, Transportation Committee vice chair, and James Cleland, Executive Director of AEDA, met with the Premier to discuss the committee's economic concerns about the area and present AEDA's findings and recommendations.

AEDA's input led to the province's recent commitment of $241 million to turn raw Crown land into new residential, commercial and industrial developments for Fort McMurray, the sale of 83.45 hectares of public land to the RMWB, and the creation of the Fort McMurray Airport Authority.

These initiatives will assist in meeting the current demand in the area and help plan for future growth.

ALBERTA FUTURE SUMMIT

Alberta Economic Development Authority was a key player in the Alberta Future Summit 2002, a multi-stage initiative designed to give Albertans a voice in charting a course for their province's future. AEDA's Chair and nine members served on the Advisory Committee.

CANADA TRANSPORTATION ACT REVIEW

At the request of the Minister of Transportation and Infrastructure, Alberta Economic Development Authority developed and conducted a process designed to solicit the views of Alberta stakeholders on changes to the Canada Transportation Act (CTA).

GLOBAL BUSINESS FORUM 2009

AEDA was a major sponsor of the 2009 Global Business Forum, an annual international conference committed to improving business competitiveness throughout the world. The Forum took place on September 17 and 18, at The Fairmont Banff Springs, and its theme, The Long and Winding Road – Understanding Challenges and Seizing Opportunities, was designed to provide participants with a comprehensive look at the external world in which business must operate today.

With a vastly different economy from a year earlier, and concerns now focusing on strength of the bottom line and increasing pressures relating to environmental issues, the program addressed topics such as global financial markets, water as a critical resource, technology and innovation, world energy supply-and-demand, and the environment.

Presenters included:

- Mr. Lawrence Solomon, Executive Director, Energy Probe, and Columnist, National Post (Ontario)
- Mr. Hal Kvisle, Chief Executive Officer, TransCanada Corporation (Alberta)
- Ms. Karen Alderman Harbert, President and Chief Executive Officer, Institute for 21st Century Energy, U.S. Chamber of Commerce (Washington, D.C.)
- Dr. Gwynne Dyer, Journalist and author of Climate Wars (England)
- Mr. Richard Edelman, President and Chief Executive Officer, Edelman Public Relations (New York)
- Dr. Alexander Zehnder, Scientific Director, Alberta Water Research Institute (Switzerland/Canada)

2000 – Present

GLOBAL BUSINESS FORUM

The Global Business Forum was first held in September 2000. It is an international conference committed to improving business competitiveness throughout the world, and is funded by the contributions of corporate sponsors. The Forum provides an opportunity for more than 200 invited leaders from North America and across the world to share their views and perspectives on strategies for businesses and governments in the 21st century. AEDA is a major sponsor and plays an active role in organizing each year's Forum.

- Sir Anthony Holland, Independent Complaints Commissioner to the Financial Services Authority for the UK (England)
- The Honourable Ed Stelmach, Premier of Alberta
- Dr. Nariman Behravesh, Chief Economist and Executive Vice-President, IHS Global Insight (Massachusetts)
- Dr. Janet Peace, Vice-President for Markets and Business Strategy, Pew Center on Global Climate Change (Virginia)
- Mr. Joseph Caron, High Commissioner for Canada to the Republic of India
- Mr. Hervé Buisson, Vice-President, Technologies – Americas, Veolia Water – Solutions and Technologies (France)

APPOINTMENT OF NEW BOARD MEMBERS

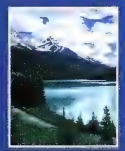
In 2009, AEDA welcomed a new Board of Management chair, Bob Brawn, who was appointed after Mr. Terry Gomke completed a three-year term as chair.

Approximately 20 new board members were also appointed. Each board member serves for two years in the voluntary positions. Alumni board members may be retained on AEDA's Economic Council.

Board members, who are appointed by Ministerial Order, are chosen for their knowledge, expertise and leadership ability. Each member sits on one of five standing committees to provide input into economic develop strategy and policy for the province.

FORESTRY STRATEGY

AEDA prepared A Strategic Vision and Direction for Alberta's Forest Sector. AEDA and PricewaterhouseCoopers LLP initiated and co-sponsored the Alberta Forest Industry Conference. The conference provided a forum to highlight the Alberta Advantage to CEOs in the forestry industry.



TOURISM DEVELOPMENT STRATEGY

AEDA's Tourism Committee prepared a long-term tourism development strategy, Preparing For Alberta's Tourism Future, December 2000. The report identified a number of issues that have an impact on current and future opportunities for tourism development, many of which were incorporated into AEDA's planning process.

CONCLUDING OVERVIEW AND OUTLOOK

The volunteers who comprise AEDA's board — the men and women who share their expertise and forge stronger links between the business community and the Alberta government — can trace their lineage to the Authority co-founder, Art Smith.

Smith was just 16 years old when he began working in the Turner Valley oilfield east of Calgary. It was a hardscrabble life and he continued working in the oilfields for four years, when he enlisted in the Royal Canadian Air Force. During the Second World War he served in 34 operations as an RAF Pathfinder Pilot overseas and was awarded the Distinguished Flying Cross.

Smith had a long and illustrious career in business as chairman and CEO of SNC Partec Inc. and Lavalin Services Inc. He also made significant contributions to public life as a Calgary alderman, an Alberta MLA and a federal MP.

The spirit of public service, which Smith so graciously embodied, lives on in the commitment shown by today's AEDA board members.

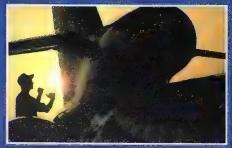
Over the past 15 years, the Authority has been a catalyst for action. Our published reports have provided insight on matters of economic performance, and helped to identify barriers to productivity and their solutions.

Maintaining a productive and competitive economy will underpin Alberta's future economic growth. From a need to respond to growing volumes of North American shale gas, to a heightened call to produce our natural resources in the most sustainable manner, Alberta faces a growing storm of challenges.

The province's fiscal regime (taxes and royalties) must be competitive with other jurisdictions.

Alberta should also find a more efficient way to administer its regulatory processes, while at the same time maintaining strong standards. In addition, Alberta needs to embrace technology development to ensure we improve environmental performance, unlock further resources and deliver new innovations.

The world around us is changing. We must act now. AEDA can play an integral role in facilitating collaboration between Albertans, businesses and the government that will help lead to the most productive and competitive jurisdiction in the world.



ALBERTA AVIATION STRATEGY

AEDA released recommendations for key actions to develop an Alberta Aviation Strategy. Following up on those recommendations, an industry-led partnership with government was formed. The Aviation Strategy Action Group (ASAG) was responsible for overseeing the implementation, monitoring and updating of the Strategy.

CLIMATE CHANGE ROUND TABLE

The Alberta Government and AEDA held the Climate Change Round Table bringing together approximately 100 Albertans representing municipalities, academia, the environmental community, industry, and the public. The Climate Change Round Table identified the need to take swift action to manage the risks associated with climate change.

LAST WORD
FROM AEDA'S EXECUTIVE DIRECTOR

Milestones provide a perfect opportunity to reflect — and also to look forward.

Over the past 15 years, AEDA has grown from an idea set in motion by early visionaries to an organization that is a reliable source for objective insights and strategic advice about the province's economy.

The Authority's membership is characterized by highly engaged individuals from diverse backgrounds, each bringing a unique perspective to issues that can enhance or threaten Alberta's economic prosperity.

I'd like to thank our dedicated chair, Bob Brawn, for his guidance, direction and support of the Authority, as well as all of the dedicated volunteer board members who contribute so much of their time and knowledge.

The strength of our organization is underpinned by the working relationships forged among our Board members, staff, and a diverse group of public and private stakeholders.

Their expertise allows the Authority to confront difficult issues and deliver effective and innovative recommendations. As such, not only is AEDA's input well received, it is requested on matters such as the provincial budget, expansion of Alberta's financial services sector, competitiveness and regulatory review.

The strength of our organization is underpinned by the working relationships forged among our members, staff, and a diverse group of public and private stakeholders. We also look forward to future opportunities to work with key stakeholder groups such as the Premier's Council for Economic Strategy and Alberta Innovates.

We are increasing communication to all of our stakeholders through a bi-monthly newsletter. This communication vehicle features messages from AEDA's chair, economic highlights and updates on recent Board activity.

The Authority's new strategic plan sets the direction for our future work objectives. With a re-established vision, as well as our five new standing committees, which are aligned to focus on the most pressing and relevant issues of today and the future, AEDA will continue to produce vital and thought-provoking work that will shape our province's economic future.

James Cleland
Executive Director

BUILDING ON THE ALBERTA ADVANTAGE (1997)

In 1997, AEDA worked with government to develop a provincial economic development strategy called Building on the Alberta Advantage. This strategy included a competitive tax climate, world-class infrastructure, superior economic performance, natural resources, a strong science and technology culture, entrepreneurial spirit and an outstanding workforce.

MACHINERY AND EQUIPMENT TAX CHANGES (1994)

AEDA proposed recommended changes to the machinery and equipment tax that aided Alberta in becoming more competitive in attracting business and investment in value-added manufacturing industries.

AEDA ESTABLISHED IN 1994 BY RALPH KLEIN

The vision for the organization established by Ralph Klein and Art Smith was Albertans in business for Alberta. AEDA was the new voice of business in government.

AEDA'S BOARD OF MANAGEMENT

Mr. Bruce Alton
Chief Operating Officer
Nunastar Properties Inc.

Mr. Pierre Alvarez
Vice-President, Corporate Relations
Nexen Inc.

Mr. Williamt E. Andrew
President and Chief Executive Officer
Penn West Energy Trust

Mr. Dennis Apedaile
Retired Transportation Executive

Ms. Céline Bélanger
Retired Energy Executive

Mr. Robert G. Brawn, P.Eng.
Director
Penn West Energy Trust

Mr. John Brodrick
Chief Administration Officer
Town of Manning

Mr. P. T. (Tom) Brown, P.Eng.
Senior Vice-President
Ledcor CMI Ltd.

Dr. Paul Byrne
President and Chief Executive Officer
Grant MacEwan University

Dr. William H. Cade
President
University of Lethbridge

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President and Chief Executive Officer
Parkland Industries

Mr. Scott Clements
President and Chief Executive Officer
The Fort McMurray
Regional Airport Authority

Mr. Michael Colborne
President and Chief Executive Officer
Pacific Western Transportation Ltd.

Mr. Dave Collyer
President
CAPP

Mr. Craig Corser
Managing Director
Yellowhead Wood Products Inc.

Mr. Michael Cory
Senior Vice-President, Western Region
Canadian National Railway

Mr. Fred Estlin, FCA
President
Estinvest Capital Inc.

Mr. Ron Gilbertson
President and Chief Executive Officer
Edmonton Economic Development
Corporation

Mr. George Gosbee
(retired September 2009)
Chairman, President and
Chief Executive Officer
Tristone Capital

Mr. Bruce Graham
President and Chief Executive Officer
Calgary Economic Development

Ms. Jane Halford, C.A.
Chief Executive Officer and
Executive Director
Institute of Chartered Accountants
of Alberta

Mr. Brian Heald
Managing Director
CIBC World Markets

Mr. Alan Hyland
Chairman
Palliser Economic Partnership

Mr. Darshan Kailly
Chief Executive Officer
Canadian Freightways

Mr. Subhash Karkhanis
Retired Natural Resources Executive

Mr. John Kolk
President
Kolk Farms Conrich Limited

Mr. Bern Kotelko
President
Highland Feeders Limited

Mr. Les LaRocque
President
Botting & Associates Alberta Ltd.

Ms. Leah Lawrence
President
Clean Energy Capitalists Inc.

Ms. Irene Lewis
President and Chief Executive
Officer
SAIT Polytechnic

Mr. Don Lowry
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EPCOR Utilities Inc.

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Mr. Corey Marshall
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Anderson Vacations

Mr. John Masters
President and Chief Executive Officer
Calgary Technologies Inc.

Mr. Bill McAlpine
Past President
Calgary Regional Partnership

Mr. Jim McCormick
President
Teague Exploration

Mr. D. (Don) J. McFarlane, P.Eng.
President and General Manager
Cessco Fabrication & Engineering Ltd.

Mr. Garry Mihaichuk
President
GWM Resources Ltd.

Mr. Reg Milley
President and Chief Executive Officer
Edmonton Airports

Mr. Val Mirosh
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Waiward Steel Fabricators Ltd.

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Dean and Milnor Professor
Alberta School of Business

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Davco Solutions

Mr. Gerry Protti
Executive Advisor
Cenovus Energy

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